

CITY OF SAN JOSÉ, CALIFORNIA  
Department of Planning, Building, and Code Enforcement  
801 North First Street, Room 400  
San José, California 95110-1795

Hearing Date/Agenda Number  
P.C. 10/23/02 Item #: 4.

File Number  
PDC02-053

Application Type  
Planned Development Rezoning

Council District  
9

Planning Area  
Cambrian/Pioneer

Assessor's Parcel Number(s)  
442-44-018,-019,-020,-022,-023 and 447-05-002,-006  
through -010

## STAFF REPORT

### PROJECT DESCRIPTION

Completed by: Mike Enderby

Location: Area encompassed by Meridian Avenue, Hillsdale Avenue, Foxworthy Avenue & Yucca Avenue in addition to area located at the west side of Meridian Avenue opposite Koch Lane (Hacienda Gardens Shopping Center).

Gross Acreage: 20.6

Net Acreage: 20.6

Net Density: 25 DU/AC

Existing Zoning: CP-Commercial Pedestrian

Existing Use: Neighborhood Retail Center (238,000 square feet)

Proposed Zoning: A(PD) Planned Development

**Proposed Use:** Remodeled Neighborhood Retail Center (179,000 square feet) and up to 299 Multi-family attached residential units

### GENERAL PLAN

Completed by: ME

Land Use/Transportation Diagram Designation  
Neighborhood Community/Commercial & Medium High Density  
Residential (12-25 DU/AC)

Project Conformance:  
☒ Yes ☐ No  
☒ See Analysis and Recommendations

### SURROUNDING LAND USES AND ZONING

Completed by: ME

North: Single-family detached residential

R-1-8 Residence District

East: Single-family attached/detached residential &  
Commercial uses

R-1-8 Residence District, R-2 Residence District, CP-Commercial  
Pedestrian, CO-Office

South: Apartments

CO- Office

West:: Single-family detached residential

R-1-8 Residence District

### ENVIRONMENTAL STATUS

Completed by: ME

☐ Environmental Impact Report found complete  
☒ Negative Declaration circulated on May 21, 2002  
☐ Negative Declaration adopted

☐ Exempt  
☐ Environmental Review Incomplete

### FILE HISTORY

Completed by: ME

Annexation Title: Meridian #22 & South Willow Glen #10

Date: 12/23/60 & 7/17/52

### PLANNING DEPARTMENT RECOMMENDATIONS AND ACTION

☐ Approval  
☒ Approval with Conditions  
☐ Denial

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
☐ Action  
☒ Recommendation

### APPLICANT/DEVELOPER

Mark Tersini  
Hacienda Gardens, LLC  
21710 Steven Creek Blvd. #200  
Cupertino, CA 95114

### OWNER

Garrett Rajkovich  
6475 Camden Avenue #202  
San Jose, CA 95120

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**PUBLIC AGENCY COMMENTS RECEIVED**

Completed by: ME

**Department of Public Works**

See two attached memorandums. Both dated 10/15/02

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**Other Departments and Agencies**

CSJ Fire Department, 6/27/02

Valley Transportation Agency, 6/27/02

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**GENERAL CORRESPONDENCE**

See Neighborhood Advisory Committee Response, dated 10/8/02

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**ANALYSIS AND RECOMMENDATIONS**

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**BACKGROUND**

The applicant, Hacienda Gardens, LLC, is proposing to rezone a 20.6-gross-acre site from CP-Commercial Pedestrian to A(PD) Planned Development to allow up to 179,000 square feet of retail commercial uses and up to 299 multi-family attached residential units.

The project area encompasses the Hacienda Gardens Shopping Center which spans portions of two contiguous blocks that are bisected by Foxworthy Avenue. The shopping center was originally built in the early 1960's. A few of the tenant spaces have been individually remodeled or expanded within the last 10-20 years, but the center has never been comprehensively remodeled.

The southerly portion of the project is bounded by four streets; Meridian Avenue, Hillsdale Avenue, Yucca Avenue and Foxworthy Avenue. The proposed project includes all areas within this block except the parcels occupied by the 7/11 store on the corner of Foxworthy and Yucca Avenue and the Chevron gas station at the corner of Foxworthy and Meridian Avenue which have separate ownership. This area of the site currently includes a large grocery store (Albertson's) a large drug store (Rite Aid) and several restaurants and smaller retail tenants oriented primarily towards Meridian Avenue behind a large parking lot.

Adjacent land uses surrounding the southerly portion of the site consist of two-story apartment units to the south across Hillsdale Avenue, single-family detached houses across Yucca Avenue to the west and across Meridian Avenue to the east. A gas station (Rotten Robbie) and a grocery store (PW Super), which are not part of the Hacienda Gardens Shopping Center, are located across Foxworthy Avenue to the north.

The proposed rezoning also includes property to the north of Foxworthy Avenue and the previously described area. This northern portion of the project encompasses all of the existing contiguous commercial establishments on the west side of Meridian Avenue except the PW Super and the Rotten Robbie gas station parcels.

The existing uses included within this area currently include the Bank of America building, Marie Callender's Restaurant and other tenant spaces located at the rear including, the Challenger School facility. The project also includes the site occupied by the McDonald's Restaurant.

The northerly area of the project, as described above, borders single-family detached houses to the north and west. Commercial uses and duplexes exist across Meridian Avenue to the east.

Last year, the subject property was the subject of two very controversial General Plan Amendments—one for each of the areas (see General Plan Conformance section of this report). The amendments were approved by the City Council which enabled the consideration for the inclusion of residential uses.

### Project Description

The two existing site areas as described above, which comprise the Hacienda Gardens Shopping Center in its entirety includes 238,000 square feet of existing commercial tenant space. Under the proposed Planned Development Rezoning, much of these existing buildings would either be demolished, rebuilt or remodeled. However, the overall size of the shopping center would be reduced in size to a maximum of 179,000 square feet of commercial space. However, the conceptual site plan currently shows about 150,000 square feet of commercial uses.

***South Area.*** The majority of the commercial uses (about 159,000 square feet) are proposed on the south block with much of it in the form of new pad buildings located next to the Meridian Avenue and/or Foxworthy frontages. One of these new structures will include a new drive-through restaurant. The existing anchor tenants within the existing southern area are proposed to be retained. A new traffic signal is proposed on Meridian Avenue between the existing intersections at Foxworthy and Hillsdale.

The project also proposes 64 apartment units on this block which will be oriented toward Yucca Avenue at Hillsdale Avenue. The residential component for this block would be configured with a mix of two and three story building elements placed on a podium structure with a partially below grade common parking garage.

***North Area.*** All buildings, except for the Bank of America, are proposed to be demolished. New mixed-use buildings (first floor commercial, second floor residential) are proposed along the most of the Meridian Avenue frontage. These will generally match the setbacks and development pattern of the existing Bank of America building. The mixed-use building will transition to an all residential building along the Meridian frontage in the area closer to the adjacent houses to the north. The balance of the property will be developed exclusively with residential apartment structures. A total of 235 attached units are proposed for the north area.

A perimeter driveway with carports and open parking will be placed alongside the north and west property lines adjacent to the existing houses. The new apartments will generally be configured in buildings containing about 24-30 units each. Buildings in closer relative proximity to the existing adjacent single-family houses will include 2 & 3 story elements, while buildings located near the center of the apartment complex will be made up exclusively of three story elements. Surface parking will provide the majority of the project's required parking except one of the structures will provide parking within a below grade parking garage.

### Establishment and Role of the Neighborhood Advisory Committee

Unique to the review of this Planned Development Rezoning proposal was the formation of a City Council appointed Neighborhood Advisory Committee (NAC) which was actively involved with the City and developer in helping to shape the design of the project proposal. The committee members included Tom Rossmeissl, Noel Carpenter, Larry Goldstein and Bob Colyer. The committee was formed at the beginning of the Planned Development Rezoning stage to assist in the review and development of specific project plans to help ensure that the subsequent project proposal sensitively interfaces with the surrounding neighborhood and addresses other issues noted above.

Planning Staff facilitated committee meetings at City Hall about once per month over the past year. The committee has worked with the developer in a very positive and productive manner over this period and has been successful in facilitating many positive improvements with the project (see “analysis” section for additional discussion).

The committee, comprised of four (4) members of the community, met with the City and developer on several occasions prior to the filing of an application. At earlier meetings, the City provided the committee with basic training to ensure that the members would have a good understanding of City policies that relate to the review of Planned Development Rezoning proposals. Staff from several City Departments participated in training sessions for the benefit of the committee on topics including overviews of; 1) development review and environmental processes, 2) transportation and LOS policies, 3) Commercial Design Guidelines, 4) Residential Design Guidelines, 5) economic constraints. City Council Staff, the developer, as well as his team of consultants, were present at the meetings.

Upon the filing of the formal Planned Development Rezoning application in June of this year, additional meetings or workshops were conducted to allow the committee to interact directly with the project architects for both the commercial and residential project components. In subsequent meetings, the architects provided modified and refined proposals to address concerns raised by the Committee. Planning Staff also provided its own independent written comments to the developer related to conformance to General Plan policies as well as applicable design and development policies as is customary. Staff also provided a detailed verbal explanation of these comments to the committee. The committee was also very involved in the review and related discussion by City staff related to the final traffic report upon its completion in August.

After numerous hours of meetings with City Staff and on its own, the committee formulated a qualified, conditional recommendation of approval of the project. See analysis for additional information.

## **GENERAL PLAN CONFORMANCE**

Last year, the property owner obtained a General Plan Amendment (File #GP01-09-002, GP01-09-003 & GP01-T-18) from Neighborhood Community Commercial to Mixed Use with no underlying designation. Under this designation a total of 2.45 acres on the southern area and 9.5 acres on the northern areas were designated as Medium High Density Residential (12-25 DU/AC). Together, this area could yield between 144 and 299 for the entire project.

Under the specific City Council direction set forth under the approval of these amendments, a commercial area expansion of up to 9,000 square feet could be allowed on the south portion of the site and up to 88,000 square feet (total) of commercial uses could be allowed on the north portion of the site.

This project conforms to the General Plan Land Use/Transportation Diagram designation as approved for this project site. Under this rezoning, the residential building potential will be fully maximized. The project, however, is proposing a rather substantial reduction in the overall commercial square footage potential, due in part, to the over-saturation of retail uses in this area (see section under “Analysis- Development Mix & Intensity”). The proposed commercial uses will comprise a 59,000 reduction in overall square footage as compared to the existing center.

Upon approval of the recent General Plan Amendments, the City Council also directed the developer to facilitate retention of existing tenants that wished to remain in the revitalized shopping center. Further, a detailed traffic analysis should be conducted at the rezoning stage to help determine the appropriate overall density for the project. Issues related to traffic calming, building heights, open space and parking should also be appropriately addressed.

The proposed rezoning furthers overall objectives of the General Plan in several regards. Infill housing opportunities are being maximized to further the City's smart growth objectives. In accordance with the General Plan's urban design policies, the existing adjacent residential neighborhood will be better protected and buffered from non-residential uses by the replacement of close proximity, older commercial uses with new residential uses of appropriate scale and landscaped setbacks. The General Plan also encourages the upgrading, beautifying and revitalizing of older commercial centers.

## **ENVIRONMENTAL REVIEW**

An Initial Study was prepared for this project and the Director of Planning circulated a Negative Declaration for public review on September 25, 2002. The key issues addressed included the potential impacts of traffic on the level of service (LOS) and noise generated by the proposed project. Other issues that were also addressed included an analysis of potential soils contamination from the previous gas station site across from the northerly terminus of Yucca Avenue and loss of trees.

***Traffic.*** A traffic report was prepared by Pang & Associates, the traffic consultant, which analyzed the impacts of the proposal in accordance with the City's Level of Service (LOS) policy. Prior to the preparation of the study, the consultant met with the City's Public Works staff to define the scope of review for the report. In accordance with direction by the City, the consultant was asked to analyze 14 area intersections that were determined to have potential impacts with the proposed development. The report also addressed the potential new signal warrant on Meridian Avenue located equidistant between Hillsdale and Foxworthy Avenues.

Although not required as part of the CEQA level analysis, the traffic report analyzed three specific traffic calming or operational improvements at the request of the City and the Neighborhood Advisory Committee (NAC). These included the possible installation of a raised traffic channelization barriers or "porkchop" islands to preclude left turn movements from Meridian Avenue to 1) Koch Lane and 2) Lama Way. Both of these streets aligned opposite key entrances to the shopping center. These islands would also prohibit left turn movements from these existing residential streets on to Meridian.

At the request of the NAC, the report also addressed concerns raised about safe pedestrian crossing on Foxworthy Avenue between the two areas of the shopping center. A mid-block crosswalk, located next to the existing PW Super, prompted consideration about the appropriateness of a new crosswalk at the nearby intersection at Yucca Avenue (and a proposed residential project entrance) in conjunction with a new stop sign or traffic signal.

The report was reviewed by City Staff from the Departments of Public Works, Transportation and Planning, Building and Code Enforcement. Additionally, this report was discussed in great detail by the traffic consultant and City Staff with the Neighborhood Advisory Committee. The report concluded that the proposed project conformed to the City's LOS policy and therefore no mitigation

to existing intersections was required. The report also concluded that a new signal was warranted at the project entrance on Meridian Avenue opposite Lama Way. The inclusion of this new signal was taken into consideration when determining the project's overall traffic impacts and conformance with the City's Level of Service Policy. Although the signal is not specifically needed to facilitate better vehicular flows on Meridian Avenue, particularly during the peak traffic periods, it was deemed necessary in order to effectively facilitate the egress demands from the shopping center. The new traffic signal will be appropriately synchronized with the two nearby signals on Meridian Avenue at Foxworthy Avenue and at Hillsdale Avenue.

In accordance with the traffic consultants conclusions, the City staff does not feel that the operational improvements for new porkchop islands at Lama Way and Koch Lane, as well as a stop sign or traffic signal at Foxworthy and Yucca as previously discussed are appropriate as requirements for this project. While there may be some merit to these improvements, the traffic report does not justify the imposition of such improvements at this time. This project should however provide a \$10,000. contribution to re-evaluate actual traffic operations after the project is complete. If at such time such operational circumstances might appear to warrant such improvements, the City should initiate the appropriate neighborhood outreach as part of localized traffic calming program for further evaluation and then provide the appropriate remedies.

**Noise.** A noise report was prepared the Edward L. Pack & Associates, an acoustical consultant. In the report, noise impacts to the proposed residential units from area traffic and on-site commercial sources such as rooftop HVAC equipment, truck loading, and the restaurant drive-through use was evaluated. The report also addressed new project generated noise impacts on nearby existing residential uses. The report concluded that mitigation would be necessary to ensure adherence to General Plan noise standards. Such mitigation measures include the installation of appropriately "quiet" and screened roof top HVAC equipment for the new commercial buildings and/or improvements to attenuate the noise impacts for some of the equipment on the existing commercial buildings that will be remodeled.

Other mitigation measures include the installation of appropriate STC rated windows on the residential units. Of concern, was the potential noise impacts by the addition of a new drive-through restaurant on Meridian Avenue located across from existing single-family houses. These noise impacts, which are generally overshadowed by the existing traffic noise during much of day, could be problematic during quieter, evening hours when the street traffic subsides. For this reason, the drive-through use will be required to close at 10:00 p.m. (see additional discussion under "Analysis-Conformance to Policy on Drive-Through Uses").

**Soils Contamination.** The existing site includes an older, vacated gas station and vehicle service facility located on Foxworthy opposite Yucca Avenue. Fire Department records have indicated that the underground storage tanks were removed in 1996 and the appropriate soils testing beneath the tank location was conducted. No evidence of contamination in excess of State standards was detected. Staff researched two other gas stations on the corners of Meridian and Foxworthy Avenues in close proximity to the subject site and found no records of soils contamination as part of any previous tank removal/replacement permits.

**Trees.** A few ordinance size trees (over 56" in circumference) are proposed for removal. All of the trees are non-natives and typically include Liquid Ambers or Pines. Mitigation for the loss of these trees will be provided on-site in accordance with standards mitigation ratios with the Planned Development Permit.

## ANALYSIS

The analysis section of this report provides a discussion on key aspects of the project including; 1) determination of development mix and intensity, 2) site design considerations, 3) conformance to the Residential Design Guidelines, 4) conformance to the Commercial Design Guidelines, and 5) analysis of Neighborhood Advisory Committee's recommendation.

### Development Mix and Intensity

The maximum development parameters for commercial expansion and the introduction of new residential units was established by specific limitations incorporated into the approved General Plan Amendments. The several factors that affect the developer's ability to maximize development. These are a function of the ability to provide traffic capacity to ensure conformance with the City's transportation LOS policy, conform to the development standards of the Residential Design Guidelines and Commercial Design Guidelines (i.e. provisions for adequate setbacks, parking and open space).

In this instance, economic considerations are noteworthy. With the assistance of the City's Office of Economic Development, the City solicited the services of Strategic Economics, Inc, an independent economic consulting firm, to provide some analysis and insight to the Neighborhood Advisory Committee about the market forces that encourage or inhibit the renovation of old commercial centers. Public testimony from the controversial General Plan Amendment hearings last year and comments raised by the committee members revealed a strong sentiment to encourage revitalization of the existing shopping center, which suffers from an outdated design and is experiencing several long term vacancies of smaller tenant spaces. The neighborhood has generally not favored the introduction of new housing units, particularly of higher density varieties, for concerns related to increased traffic and architectural or land use compatibility with the surrounding single-family houses.

The economic consultant found that the surrounding Cambrian area had an over abundance of retail tenant space, much of which, like Hacienda Gardens was either poorly configured, outdated, experiencing high vacancy rates and/or lack of "top grade" nationally known retail tenants. The independent consultant generally concurred that the developer's proposal to reduce the amount of commercial space would be beneficial, but noted that significant remodeling and site improvements would be necessary in order to create a viable and more vibrant commercial center that would attract new desirable tenants.

Without an expanded commercial component to capture the costs of a significant remodel, new residential uses would help "subsidize" the costs associated with the renovation of the commercial center. The consultant indicated that new retailers often make marketing decision about relocation based on new residential growth of an area or its potential and not necessarily based on the existing residential market base. While this Cambrian neighborhood is well established, it has not had very many opportunities for significant new residential development. This site provides that opportunity.

### Project Design Considerations- North Area

All of the buildings on the northerly portion of the site (north of Foxworthy Avenue), except the Bank of America facility are proposed to be demolished. The existing PW Supermarket and Rotten Robbie gas station, that anchor the corner, are not part of the project. A total of 235 units and about 20,000 square feet of commercial uses are proposed within this area. The streetscape along Meridian Avenue will be defined with a vertical mixed use development with two story building

separated from the street by a double-loaded parking aisle and front perimeter landscape strip. The applicant's current plans show only 7 feet of landscaping, but staff is recommending that this be increased to 15 feet pursuant to City design guidelines and to make this project consistent with other similar retail developments and to ensure a reasonable level of compatibility with residential uses across the street. The mixed use development will transition to series of garden townhouses adjacent to the existing houses on Meridian Avenue to the north.

The balance of this project area will be comprised of 2 & 3 story cluster-type apartment units. A double-loaded parking aisle with carports and open parking will be placed alongside the north and west property lines adjacent to the existing houses. The perimeter landscaping and parking area will provide a building setback of about 85 feet from the property line of the adjacent houses. The building closest to this driveway has been designed with a combination of 2 and 3 story building elements to minimize potential visual impacts of the new structures. This interface was highly scrutinized by the NAC, who's positive influence resulted in the project revisions reflected with the current project plans.

Parking is well distributed throughout the project. Most of the parking will be placed within surface parking areas adjacent to the units, however one of the buildings will utilize a podium structure with a below grade parking garage. The project will provide access to Foxworthy Avenue that is appropriately aligned with the intersection at Yucca Avenue.

#### Project Design Considerations- South Area

The majority of this area will comprise retail uses. Existing long term leases with some of the major tenant's such as Albertson's and Rite Aid requires the preservation of their existing buildings. Although these buildings will be remodeled, the placement of these structures is less than ideal. The existing loading area for the Albertson's tenant space is located rather close to street and existing single-family houses on Yucca Avenue. The project will be conditioned to require that the expanded area for the loading dock maintain a minimum of 10 feet of landscaping to avoid worsening the existing conditions. The existing area, however, is generally well screened and maintained. Opportunities to further improve the interface will be explored at the Planned Development Permit stage.

Other existing commercial uses which back-up to the entire length of Yucca Avenue will be eliminated and replaced with a 64 unit residential component of similar design to the other block previously described. The podium type building will provide all of the required parking in a partially below grade parking garage which is completely screened from the street. The single driveway entrance will allow maximization of landscape opportunities within the proposed 25-foot setback. The residential units will have direct pedestrian access to the commercial area.

The large existing building which accommodates Rite Aid, the Cardinal Restaurant and a bank will be preserved. As with the Albertson's building, this building has less than ideal placement in that it provides a poor, "back-up" interface with Hillsdale Avenue and does not adequately anchor the corner. The placement of this building and necessity for parking limits landscape opportunities along the street. The establishment of a one-way parking aisle will enable about an 8' wide landscaped area which is an improvement over the current situation. In the event that the Rite Aid tenant were to vacate the site, the building could be divided into tenant spaces that orient to either the larger, central parking lot or Hillsdale Avenue.



Three new, freestanding pad buildings are proposed along the Meridian frontage. The perimeter landscaping will be substantially widened to 25 feet except in areas where the physical limitations resulting from the placement of existing buildings limit such opportunities to 15 feet. The new buildings will help to break up the large expanse of parking currently existing at the center and contribute to a more attractive, modern development along the street. As previously indicated, a new traffic signal will be added at the main project entrance across from Lama Way.

A new freestanding building is also proposed along the Foxworthy Avenue frontage. Unfortunately the existing Chevron station and 7/11 store are owned by other entities and are not included in the project. The subject property has been designed so that any redevelopment proposals on these corner parcels can be easily integrated into the Hacienda Gardens project. A small parking lot located between the side of the Albertson's and Foxworthy Avenue is problematic with its current design. With the demolition of a portion of the existing building in this area, the small parking lot leaves little opportunity for landscaping a sidewalk or building articulation along the side of the Albertson's façade. Further, substandard street landscaping is provided and the additional driveway curb cut, near the 7/11 may add to traffic conflicts. For these reasons staff is recommending that the parking area be reduced in size to provide more area for landscaping along the street and next to the building.

Parking will be well distributed throughout the site. Adequate parking will be provided in accordance with the requirements of the Zoning Ordinance. Additional landscape areas and tree pockets will be installed in the parking area to help improve the appearance of the project.

***Architectural Compatibility Between Commercial and Residential Components.*** The commercial architectural concept is similar to that which was built at the Camden Park Shopping Center located at Camden and Union Avenues. The residential design is also well proportioned, articulated and detailed, however, both project elements have been designed by different architects and have clearly not been designed to be stylistically consistent or compatible with each other. This is important in this instance since the two project components are tightly woven together from both a visually and functionally standpoint.

Divergent design concepts would not otherwise be a problem, except that there is a 150' gap between the two main commercial buildings at the back of the site. This gap adds to the visual prominence of the proposed residential building located to the rear. The design of the project would be improved if the commercial component of the project included a few design elements, details, finishes or proportions that were similar to that of the proposed residential component. This could include the introduction of sloped roof elements for portions of the building. This is not an uncommon design element for modern neighborhood retail centers. With the proper inclusion of appropriate common design details, the commercial center could avoid a sense of disjointed design as a result of the divergent architectural style from the proposed residential project.

The Neighborhood Advisory Committee has also echoed a desire to better address the design continuity issue. Although further refinement would typically occur at the Planned Development Permit stage, Staff feels that the Planning Commission and City Council should emphasize the need for the developer to modify the design to better address this issue by inclusion of a condition for this zoning as noted on the attached General Development notes for this project.

***Proposed Drive-Through Use and Conformance to City Policy.*** One of the new freestanding buildings is proposed to accommodate a drive-through restaurant. This will most likely be the

McDonald's restaurant that will be displaced as part of the development for the north area of the Hacienda Gardens project. The drive-through lane is well designed to avoid vehicular conflicts with the overall parking area and project entrance driveway.

Adequate vehicle stacking is provided pursuant to the City's Policy for Drive-Through Uses. This policy also recommends that such uses be located at least 200 feet from residential uses. The intent of this policy is to protect nearby residential uses from the negative impacts typically caused by drive-through lane traffic and ordering speakers. While the drive-through lane is located only 120 feet from the closest adjacent house, Meridian Avenue, a relatively busy thoroughfare extends separates the two uses. The noise report prepared for the project recommends that the drive-through use not operate between 7:00 a.m. and 10:00 p.m. or an appropriate screen wall be provided in order to avoid the generation of noise impacts that would exceed those already generated from traffic noise on the Meridian Avenue. This project includes a condition which limits the hours as noted above rather than the construction of a screen wall which probably be unattractive. By inclusion of this condition, Staff feels comfortable that the "intent" of the City's policy for separation of such uses from existing residential properties is adequately being met.

The applicant is requesting the flexibility to provide additional drive-through uses at a later date. Staff is recommending that this rezoning only allow one such use since the project has not analyzed the specific noise or traffic impacts of a second such use. Additionally, there may be site design issues related to conformance with the City's policies for Drive-Through Uses which can not be addressed without review of a specific proposal.

#### Conformance to the Commercial Design Guidelines

Since the project does not completely represent new development on vacant land, the placement of some of the existing buildings makes complete conformance to the Commercial Design Guidelines unrealistic. The retention of some of the buildings make it difficult to provide the traditional 15-25 perimeter landscape strips. For this reason, staff worked with the developer to make improvements to the best extent possible, but without an expectation of full conformance to current guidelines. In areas where new development occurs, the project has been designed to comply with current site design and landscape policies. However, there are two notable exceptions, as discussed in the "project design considerations" section of this report whereby the existing structures are not an obstacle to providing the appropriate amount of perimeter landscaping. In these instances, staff is recommending that the size of the landscape areas be increased to 15 feet in width.

The proposed project complies with all other aspects of the guidelines with regards to building placement, provisions for adequate parking and circulation, screening of loading areas, trash enclosures and roof equipment.

#### Conformance to the Residential Design Guidelines

The project includes four key types of residential units including garden townhouses, mixed use units, cluster units and podium cluster units. Each of these has its own distinct set of design requirements related to basic design, open space and parking. This project has been reviewed in the context of conformance to the relevant requirements for each product type. In all cases, this project conforms to all relevant aspects of the Residential Design Guidelines.

#### Analysis of Neighborhood Advisory Committee's Recommendation.

After numerous meetings with City Staff and the developer, the Committee formalized its position on the project and decided to recommend a qualified, conditional approval of the project (see attached copy of committee recommendations, dated October 8, 2002). The committee is strongly in favor of a revitalized neighborhood shopping center and recognizes that the proposed project has many good and desirable features. Members of the committee have worked very hard to educate themselves on the key issues and constraints facing the redevelopment of this shopping center. Throughout the process, they have worked with an admirable spirit of cooperation with the developer to try to find mutually acceptable design solutions. Based in the Committee's knowledge and time investment in this project, their recommendations have been taken very seriously by staff. Based on adopted City policies, Staff can not concur that all of the committee's recommendations are appropriate for inclusion as zoning conditions, even though many of the concepts have merit. Below is a summary and staff response related to some of the key issues raised by the committee.

***Committee Recommendation:*** *The committee questions the adopted methodology for projecting the actual trip generation for the proposed project. Additionally, there is some skepticism that parking will be adequately provided to avoid overflow into the surrounding neighborhood. As a safeguard to address any potential unforeseen traffic or parking impacts, the committee would like the developer to post a bond of sufficient amount to facilitate post-construction study and mitigation measures if it is determined that the level of service or parking impacts exceed the estimated projections. The committee would like the neighborhood to be able to participate in the review of the post-construction improvements.*

***Staff Response:*** The city uses trip generation methodology and calculations for level of service impacts in accordance with nationally used industry standards (see attached Public Works memorandum). Staff is recommending a \$10,000 developer contribution towards a post-construction traffic evaluation for the purposes of evaluating the appropriateness of additional operational traffic improvements. It is the intent of the City that this information would be shared with the public.

The City's residential parking standards were comprehensively re-evaluated as part of the update to the Residential Design Guidelines in 1997 through exhaustive local surveys of many completed developments in San Jose. The parking requirements are based on the type of parking configuration and number of bedrooms in each unit. For this project, with open parking areas, the parking space requirements range from 1.5 per unit to 2.0 per unit.

The commercial parking standards were also re-evaluated as part of the Zoning Ordinance update in 2001 and were based on San Jose's vast experience with commercial developments. This project complies with all relevant parking policies and codes. Retail parking will be provided at a ratio of 1 space per 200 square feet of net floor area. Restaurants will require slightly more based on the size of the dining area and/or number of seats. This project provides an extra level of assurance for parking adequacy by the inclusion of easement rights which will allow the proposed residential tenants or guests to utilize parking areas within the shopping center if needed.

***Committee Recommendation:*** *The Committee would like to see the "porkchop" islands at Meridian/Lama and Meridian/Koch, originally considered by the traffic report, as first phase project improvements.*

***Staff Response:*** The conclusions of the traffic report do not warrant such improvements at this time, therefore there is questionable nexus to make this a specific project requirement. Further, any such

improvements should be appropriately analyzed as part of a traffic calming study that encourages the involvement of all potentially affected residents. The \$10,000 contribution, described above, could be used to study these specific remedies.

**Committee Recommendation:** *The committee questions the necessity of the proposed traffic signal on Meridian Avenue at the project entrance.*

**Staff Response:** The traffic report suggests that the signal is warranted to accommodate the number of vehicle that will exit the site. The report also concluded that with appropriate synchronization with other signals, that the new signal should not cause appreciable degradation to the level of service to the other nearby existing intersections.

**Committee Recommendation:** *Since the traffic volumes exceed the original intended design capacity at the intersection at Meridian and Hillsdale, improvements to facilitate free-running right turn movements at each of the legs of the intersection should be considered as a remedial improvement. The project should be responsible to construct those directly adjacent to the project site. The City should take responsibility for the others.*

**Staff Response:** Although existing right turn movements are not afforded dedicated turning lanes, the traffic report does not indicate the proposed project will have a significant impact on this intersection to justify such required improvements.

**Committee Recommendation:** *Vehicles exiting the shopping center (except from new signalized intersection) should be restricted to “right turns only” during peak periods.*

**Staff Response:** This is probably a good idea and should be considered as a Planned Development Permit condition rather than a zoning condition. This requirement could be addressed with on-site signage, but could be difficult to enforce.

**Committee Recommendation:** *The committee recommends that the following items, deemed of lesser significance than those previously mentioned, be included as conditions of the project.*

- 1) *The drive-through lane for the proposed restaurant should close at 10:00 p.m.*
- 2) *A left turn lane should be striped for eastbound Hillsdale Avenue at Yucca Avenue.*
- 3) *A stop sign should be installed at the residential driveway at Foxworthy Avenue.*
- 4) *The City should require architectural design compatibility between the residential and commercial components of the project where the residential building would bridge the gap between two of the commercial buildings.*

**Staff Response:** Staff agrees with all of the above four items and proposes these for inclusion as conditions of this zoning.

## CONCLUSION

The existing constraints of accommodating some of existing tenants in their current locations preclude total redevelopment of the site in a manner as if it were currently vacant. Despite some of the shortcoming, the proposed renovation will be positive. The Neighborhood Advisory Committee process has served as a unique “test-case” in calming neighborhood controversy and assisting in the development of project design and refinement. This process was very time consuming from a City staff perspective and undoubtedly resulted in an increase in the length in application processing. The

benefits of this process, however, are very tangible and will result in a project in which the developer and neighborhood can take pride.

## **PUBLIC OUTREACH**

Notices for the public hearing and Negative Declaration were distributed to the owners and tenants of all properties located within 1,000 feet of the project site and published in the San Jose Post record in conformance with the City's Public Outreach Policy. Widely noticed community meeting were not held in lieu of the on-going active involvement with the City Council appointed Neighborhood Advisory Committee which provided comments throughout the review process.

## **RECOMMENDATION**

Planning staff recommends that the following conditions noted below be included in the project. The developer has not yet expressed a willingness to include these in the project.

1. The drive-through use shall not operate between 10:00 p.m and 7:00 a.m.
2. The perimeter landscaping along parking area adjacent to Meridian and Foxworthy Avenues shall be least 15 feet in width.
3. The architectural design of the commercial development on the south block shall be redesigned to include design elements, forms and details that are more stylistically compatibility with the proposed adjacent residential structure.
4. A left turn lane shall be striped for eastbound Hillsdale Avenue at Yucca Avenue.
5. A stop sign shall be installed at the residential driveway at Foxworthy Avenue.

With the inclusion of the above noted conditions, Planning staff recommends that Planning Commission forward a recommendation of approval and the City Council adopt an ordinance rezoning the subject site for the following reasons:

1. The proposed rezoning conforms to the subject site's General Plan Land Use/Transportation Diagram designation of Neighborhood Community Commercial w/mixed used overlay and no underlying designation.
2. The proposed project conforms to the *Residential Design Guidelines*.
3. The proposed project substantially conforms to the Commercial Design Guidelines.
4. The project furthers the goals and objectives of the City's in-fill housing strategies.
5. The proposed rezoning is compatible with existing and proposed uses on the adjacent and neighboring properties.